Investment Corporation
Japan Metropolitan Fund Investment Corporation
(Tokyo Stock Exchange Company Code: 8953)
Representative: Masahiko Nishida, Executive Director
URL: https://www.jmf-reit.com/english/
Asset Management Company
KJR Management
Representative: Naoki Suzuki, President & CEO
Inquiries: Keita Araki, Executive Officer & Head of Metropolitan Division
TEL: +81-3-5293-7081

Supplemental Material Concerning Today's Press Release

July 29, 2024

"Notice Concerning Revised Forecasts for Operating Results and Distributions (Upward Revision) for the August 2024 (45th) Fiscal Period and the February 2025 (46th) Fiscal Period"

July 29, 2024

Japan Metropolitan Fund Investment Corporation

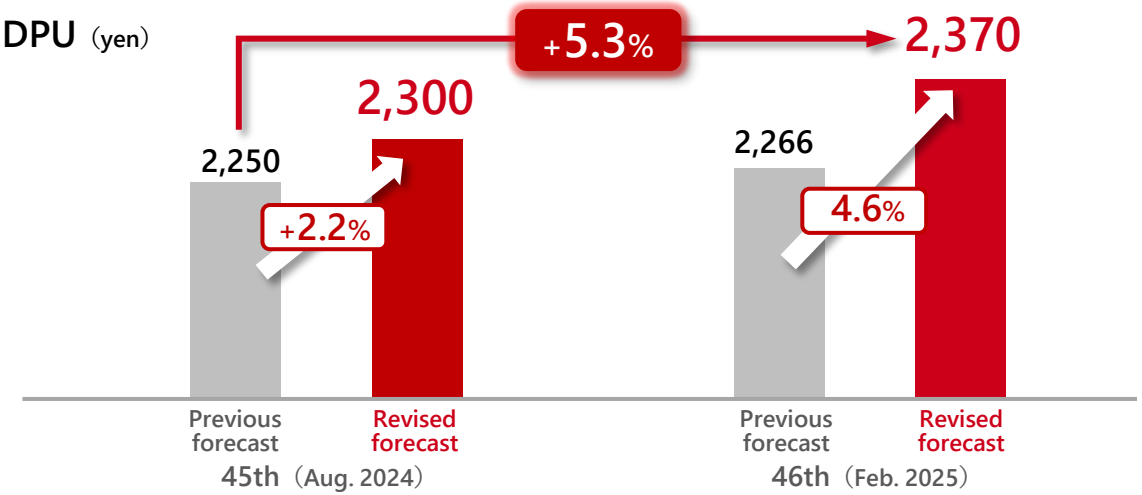
https://www.jmf-reit.com/english

Security code 8953

Summary of revised forecast for operating results and DPU

1. DPU will increase more than 5% led by internal growth (higher operating revenues), reaching a record high
2. Conservatively assumed lease negotiation with tenants and revenue-based rents mainly of urban retail properties will outperform the forecast
3. Aiming for further driving the DPU uptrend with ample room for further internal growth

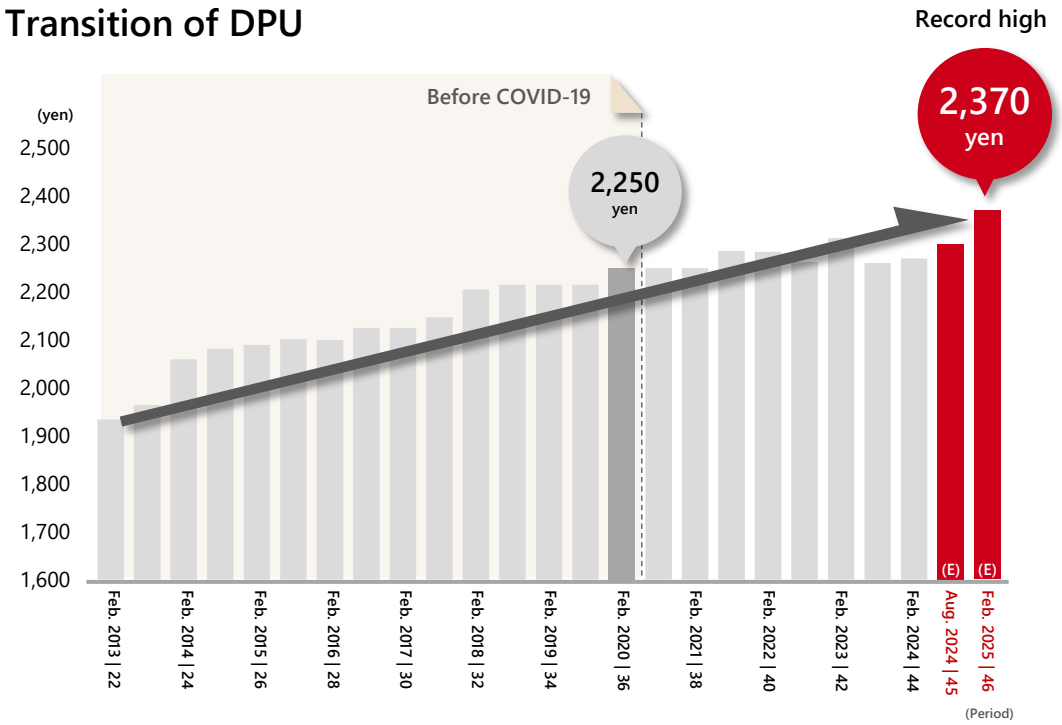
DPU (yen)



Rent and other operating revenues (vs. forecast announced in Apr. 2024) (mn yen)

	Total	+255mn yen			Total	+767mn yen		
Urban retail	+77	Mixed-use	+61		Urban retail	+518	Hotel	+54
Hotel	+73	Office	+25		Suburban retail	+107	Office	+46
		Other	+17				Other	+40

Transition of DPU



Further DPU growth driven by ample opportunities for internal growth

Diverse asset classes with room for internal growth

Urban retail / Mixed-use / Office / Residence / Hotel / Suburban retail

Future Internal Growth Opportunity	Fiscal year 2025 (47th・48th)	Fiscal year 2026 (49th・50th)	Fiscal year 2027 (51st・52nd)	Fiscal year 2028 (53rd・54th)	Fiscal year 2029 (55th・56th)	Fiscal year 2030 (57th・58th)	Fiscal year 2031 (59th・60th)
Contract expiration of large tenants, etc.	Higashi-Totsuka Aurora City CUTE CUBE HARAJUKU AEON Naha SC Twin 21 JMF-Bldg. Shibuya 02 Izumisano Shofudai *	G-Bldg. Shinsaibashi 02 Urban Terrace Jingumae m-city Kashiwa G-Bldg. Shinsaibashi 04 JMF-Bldg. Umeda 01 JMF-Bldg. Shibuya 03	G-Bldg. Shinsaibashi 03(B) G-Bldg. Shinsaibashi 05 G-Bldg. Tenjin Nishi-dori 02 JMF-Bldg. Midosuji 01 JMF-Bldg. Shibuya 02 JMF-Bldg. Kitahama 01	G-Bldg. Shinsaibashi 03(A) G-Bldg. Omotesando 02 Life Taiheiji * Life Shimodera * JMF-Bldg. Yokohama Bashamichi 01 Ario Otori	G-Bldg. Akihabara 01 G-Bldg. Naha-shintoshin 01 JMF-Bldg. Tenjin Nishi-dori 01 Dormy Inn Hakata Gion	GYRE G-Bldg. Shinsaibashi 01 La Porte Aoyama JMF-Bldg. Jiyugaoka 01	Round1 Machida Round1 Stadium Itabashi Round1 Stadium Kawasaki Daishi Round1 Stadium Sennichimae *
Rent revision of long-term contracts	G-Bldg. Shinsaibashi 03(B) JMF-Bldg. Ginza Chuo-Dori 01 Dormy Inn Hakata Gion	G-Bldg. Shinsaibashi 03(A, B) DFS T GALLERIA OKINAWA JMF-Bldg. Ginza Chuo-Dori 01 MrMax Nagasaki	G-Bldg. Shinsaibashi 03(B) Ito-Yokado Yabashira m-city Toyonaka	JMF-Bldg. Shibuya 01 Dormy Inn Hakata Gion	JMF-Bldg. Hiroo 01	m-city Toyonaka	DFS T GALLERIA OKINAWA
SC/Mall-type renewal, Re-tenanting plan	mozo wonder city Machinoma Omori	Abiko Shopping Plaza	MARINE & WALK YOKOHAMA	mozo wonder city KAMISHIN PLAZA	KAWASAKI Le FRONT	KAMISHIN PLAZA	mozo wonder city
Rent revision of residence properties	Average remaining term of lease is **1.1** years and **ample opportunities for rent increase** at contract expiration and tenant replacement						

* Land with leasehold interest

Note : Based on leases as of the end of June 2024. Future plan is not currently fixed and may vary in the future.

3 strengths of JMF's urban retail properties enable internal growth during inflation

Features of JMF's urban retail properties led to far outperforming the initial forecast

Short-term contracts	+	Focused on fixed-term leases	+	Revenue-based rent
Average remaining term of lease		Ratio of tenants with a fixed-term lease		Ratio of revenue-based tenants
3.0 years		**91%**		**60%**
Additional rent increase opportunity		Lessors have more bargaining power in lease negotiation		Can benefit from the inflationary impact immediately

JMF's urban retail properties combine the best aspects of residence and hotels,
and it is the sector benefiting most from inflation primarily on a fixed-term lease

The sector benefiting most from inflation

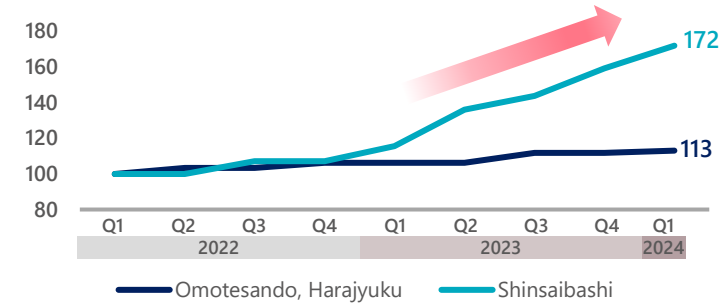
Upside potential for rent increase amid rising market rent as rent reviews are scheduled early

Favorable macro environment

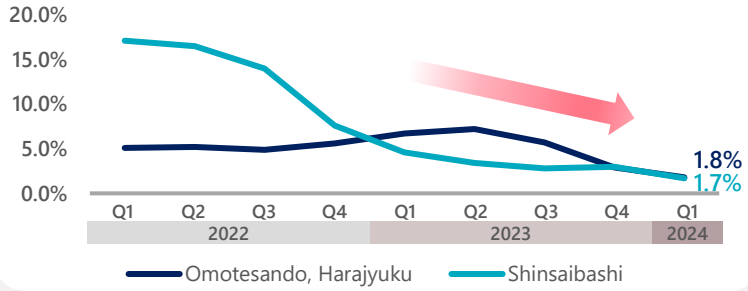
Market rents are rising and market vacancy rate is declining in Omotesando and Shinsaibashi areas where JMF holds many properties

Change in market rents

* The 1Q of 2022 term is set as 100



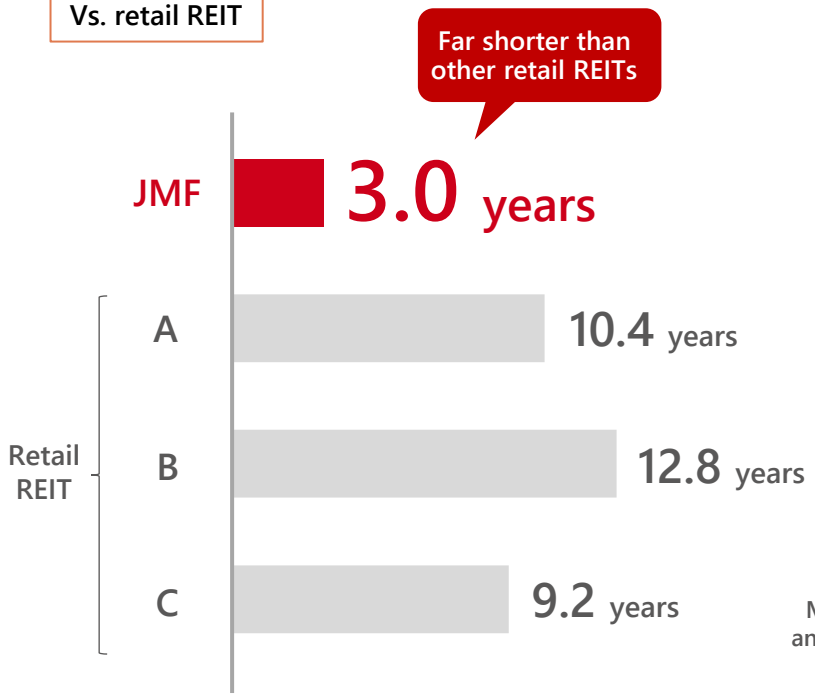
Change in market vacancy rate



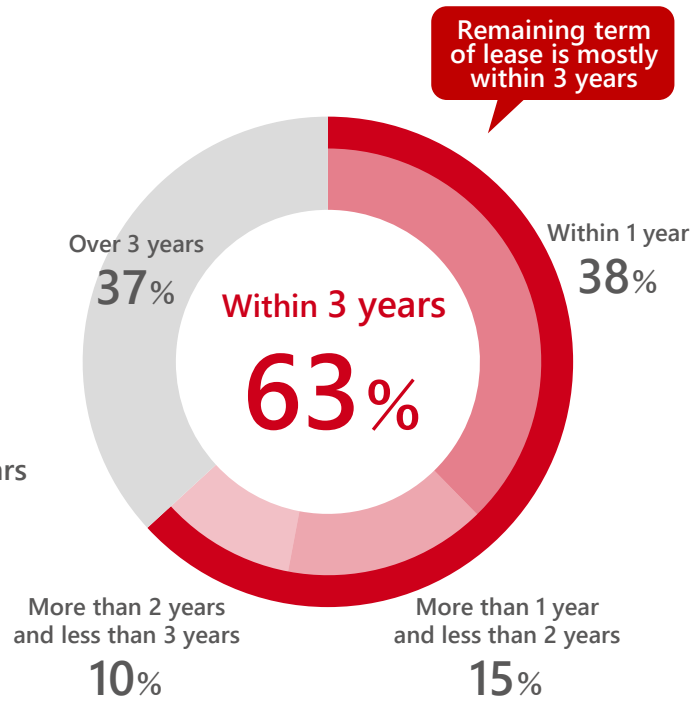
Source: CBRE K.K., "Retail Market View"

Due to short-term contracts, more opportunities to increase rent at contract renewal

Vs. retail REIT



<Average remaining term of lease >
(For retail asset class only)

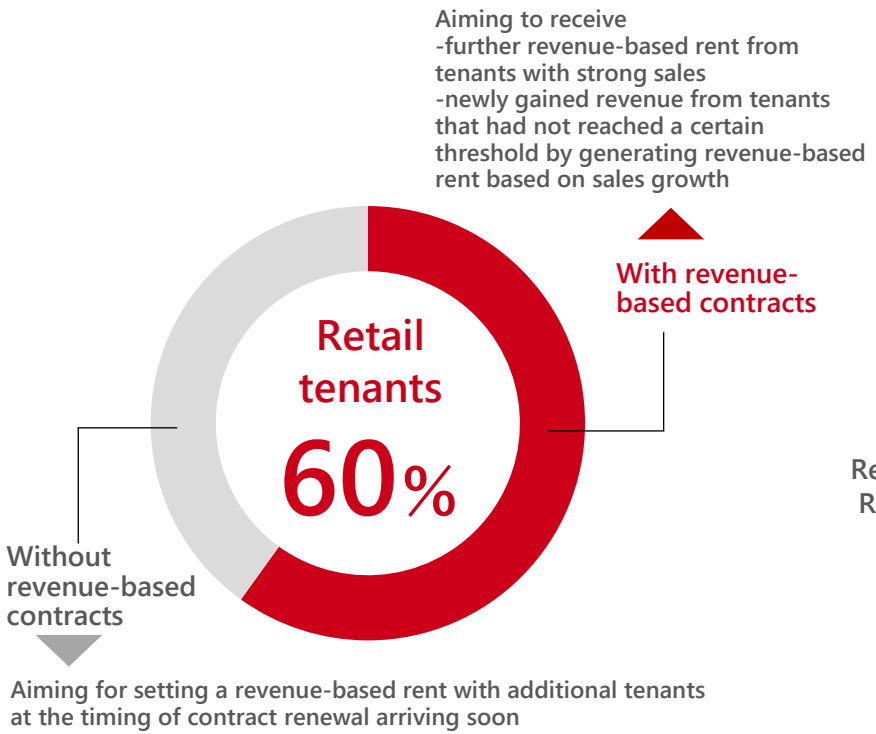


<Ratio of remaining term of lease>
(For retail asset class only)

Note: Based on the number of lease contracts
Retail REIT is based on disclosure materials of each REIT.

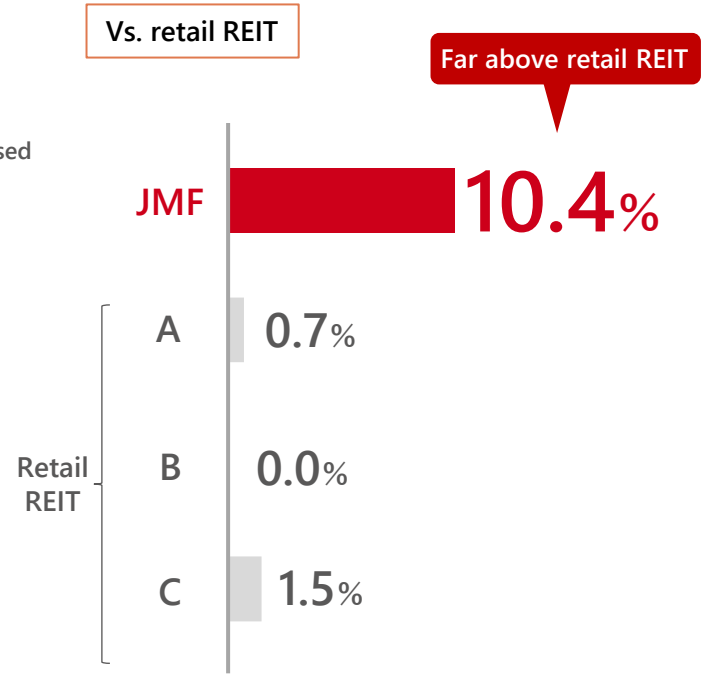
Revenue-based contracts are signed with 60% of retail tenants and a structure of "rising sales = higher revenue-based rent" is in place

Majority of retail tenants have revenue-based contracts

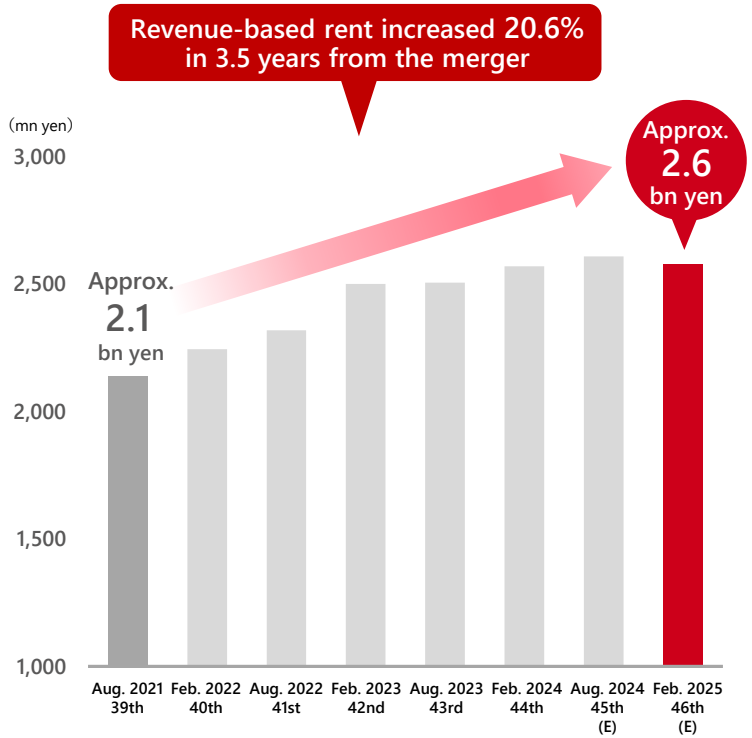


<Ratio of revenue-based contracts>
(based on retail tenant contracts)

Mostly on revenue-based rent which allows JMF to enjoy sales increase due to inflation



<Ratio of revenue-based rent>
(based on retail rent)

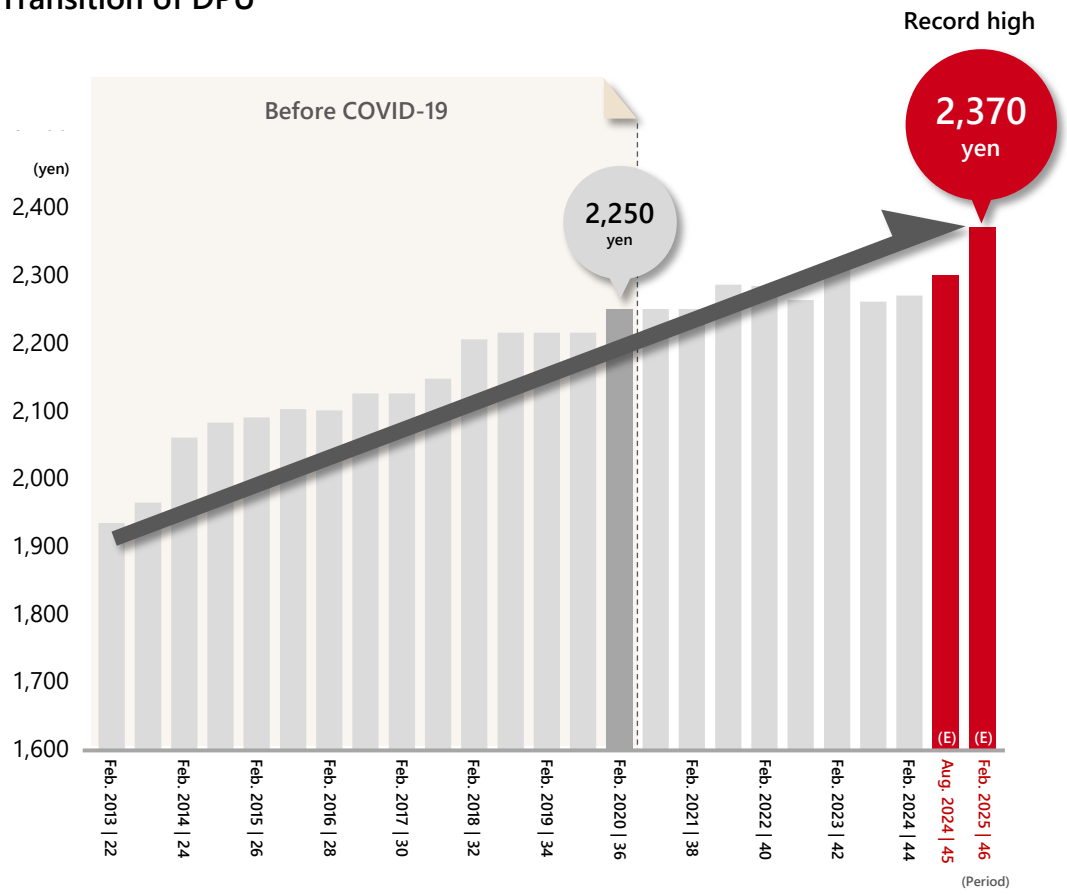


<Transition of total revenue-based rent>
(For retail asset class only)

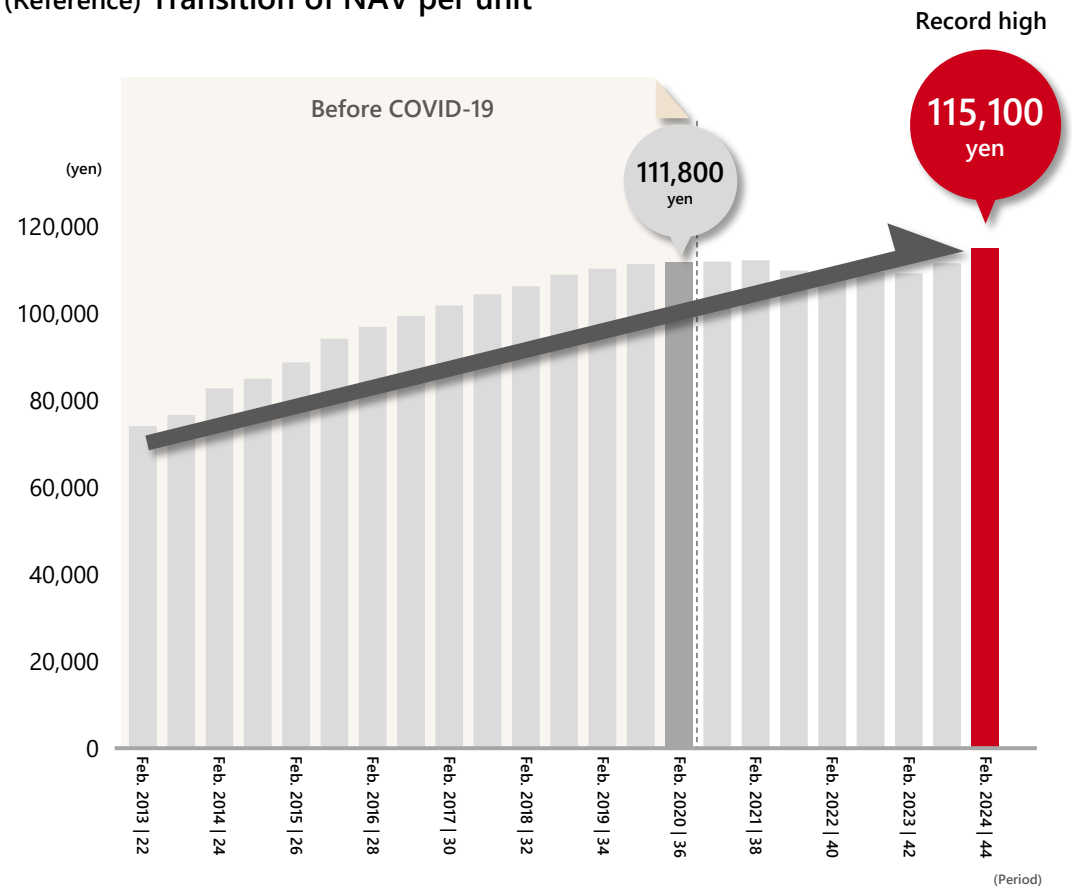
Note: Retail REIT is based on disclosure materials of each REIT.

Both DPU and NAV per unit, already above the pre-COVID levels, will reach a record-high and total returns will improve

Transition of DPU



(Reference) Transition of NAV per unit



Japan Metropolitan Fund Investment Corporation

Disclaimer

- This material may contain information such as data on future performance, plans, management targets, and strategies. Such descriptions with regard to the future are based on current hypotheses and assumptions about future events and trends in the business environment, but these hypotheses and assumptions are not necessarily correct. As such, actual results may vary significantly due to various factors.
- This material is prepared based on Japanese accounting principles unless otherwise noted.
- This material is to be used for analyzing the financial results of JMF, and is not prepared for the purpose of soliciting the acquisition of JMF's investment securities or the signing of financial instruments contracts. When investing, we ask investors to invest on their own responsibility and their own judgment.
- JMF is a publicly-offered real estate investment corporation (J-REIT) investing in real estate and related assets the prices of which may fluctuate. Unitholders of the Investment Corporation may suffer loss when unit prices decline in the market or an amount of distributions declines, according to economic and interest rate circumstances, a balance of supply and demand for units, real estate market environment, fluctuations of prices of, and rent revenues from real estate properties under management, disasters, aggravation of financial status of JMF and other reasons. For details, please see "Investment Risk" in the Securities Registration Statement (offering circular) and the Securities Report of JMF.

Asset Management Company: KJR Management

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